GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:580
ANSWERED ON:05.05.2000
VRS FOR PUBLIC SECTOR UNDERTAKINGS
A. VENKATESH NAIK;DILIP KUMAR MANSUKHLAL GANDHI

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) Whether the Government have introduced an new uniform voluntary Retirement Scheme for all Public Sector Undertakings;

(b) if so, the details thereof;

(c) whether the employees of MTNL are covered in this Scheme;

(d) if not, the reasons therefor;

(e) whether the trade unions have opposed the uniform VRS for ailing PSUs;

(f) if so, the details thereof; (g) the criteria adopted in categorising the PSUs;(h) the extent to which this scheme is advantageous to the employees in comparison to the earlier one; and (i) the details of the action plan for 2000-2001 for reducing surplus staff in PSUs?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES

(SHRI MANOHAR JOSHI)

(a) to
(i) : A Statement is laid on the Table of the House.

STATEMENT TO LOK SABHA STARRED QUESTION NO. 580 FOR REPLY ON 5.5.2000 REGARDING UNIFORM VRS PUBLIC SECTOR UNDERTAKINGS

(a) & (b) : Government have decided to modify the existing Voluntary Retirement Scheme (VRS) which is applicable to the employees of Central Public Sector Undertakings (CPSUs). Under the existing scheme compensation is permitted on a scale of 45 days salary for each completed year of service subject to the quantum not exceeding the salary which the employee is to draw for the balance of service left. An employee should have put in a minimum of 10 years of service or attained the age of 40 years.

2. Under the modified scheme, enterprises, which are financially sound and capable of funding scheme on their own resources, may implement their own variants of the existing VRS. The compensation, however, will not exceed 60 days salary for each completed year of service or the salary for the number of months` service left before superannuation, whichever is less.

3. Enterprises that are marginally profit making or incurring losses are to adopt a revised and improved pattern of VRS modelled on a scheme introduced in Gujarat. Under this arrangement 35 days salary will be offered for each completed year of service and 25 days of salary for each year of service left until superannuation. The compensation will not however, exceed the total salary of the employees for the balance of service left.

4. In the case of units under the Department of Heavy Industry facing closure, a Scheme of Voluntary Separation (VSS) has already been introduced as a safety net to the workers offering them higher compensation relief than statutory retrenchment compensation. This scheme is to be extended to other CPSU as well and modelled on the new VRSBudgetary support is visualised in case bank credit or other means are not available for funding the VRS.

(c) & (d) : Only the regular employees of MTNL will be covered under the Scheme.

(e), (f) & (h) : The scheme of VRS/VSS now proposed improves upon the existing arrangement having due regard to the views expressed.

(g) : For implementing variants of VRS scheme, the criteria adopted in categorizing PSUs are
(i) financially sound,
(ii) marginally profit making or loss making and
(iii) sick and unviable.

(i) : The details are being collected and will be laid on the Table of the House.